



Office of Inspector General

Inspection Report

The Preferred Lenders Program

November 1993

Summary

Established in 1983, the Preferred Lenders Program (PLP) was intended to shorten borrowers' waiting time for obtaining loan approval and to reduce SBA loan officers workload in processing loan guaranties. The inspection report covered lenders' use of the PLP and the Agency's oversight of participating lenders. The inspection team found that lenders in most SBA districts were making very little use of the program and as a result, the PLP may not be meeting its intent of shortening borrower's waiting time and reducing SBA staff workload. Furthermore, unclear standards for recertifying PLP lenders may have resulted in the improper recertification of some lenders. Finally, the inspection team found that Agency monitoring of PLP lenders may not have been effective in identifying and correcting serious lender problems in the processing and servicing of SBA loans.

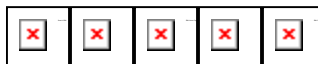
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